From:	Stan Sokolowski <ssokolowski@cifc.com>
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CC:	
Date:	Thu, 6/4/2015 6:05:47 PM
Subject:	Daily Update

Quote of the Day

"Cash is to a business as oxygen is to an individual: never think about when it's present, the only thing in mind when it is absent" – Warren Buffet

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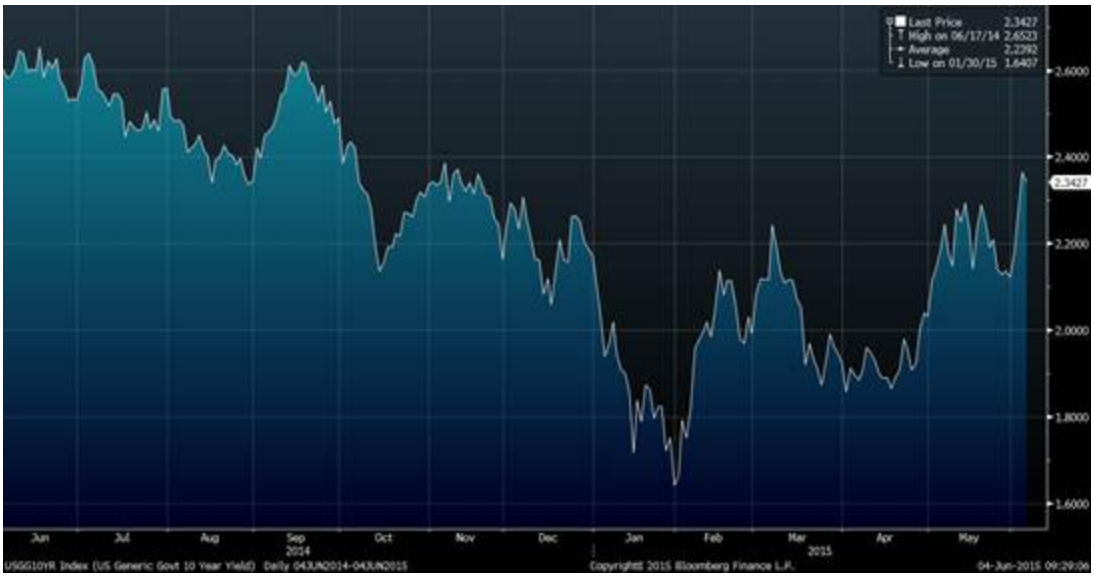
- The global sell-off in rates continues today. This fade has been happening for weeks but has accelerated determinedly in recent days. This move has been driven by better than expected data in Europe. Investors are having their capital destroyed as lower levels of liquidity exacerbate the moves lower / wider. European stocks are being pinched as a result (-1%+) and US equities are starting lower in sympathy. Chinese stocks sold off 5.3% overnight too. Yesterday's Fed Beige book reported "no rapid rebound" after a tepid first quarter (Reminder: on Tuesday Factory Orders fell for the eighth of nine past months). Stay alert. Tomorrow, OPEC will convene their 167th meeting in Vienna. All eyes will be on an expected "no production change" outcome. In other news, Greek mythology continues as "a hard line by creditors with some concessions" seems to be leading to a new proposal to avoid a default, the Russians are acting up in the Ukraine again and GE now officially has virtually all of their US commercial loan businesses on the market. Futures: -10. 10 year. 2.34%

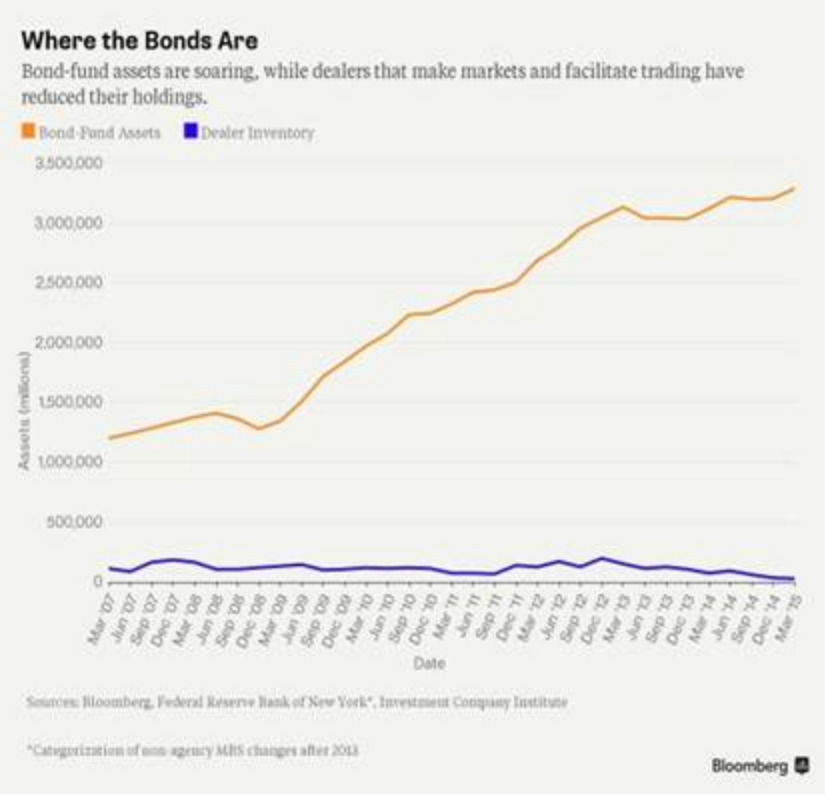
German 10 year yield

US 10 year yield



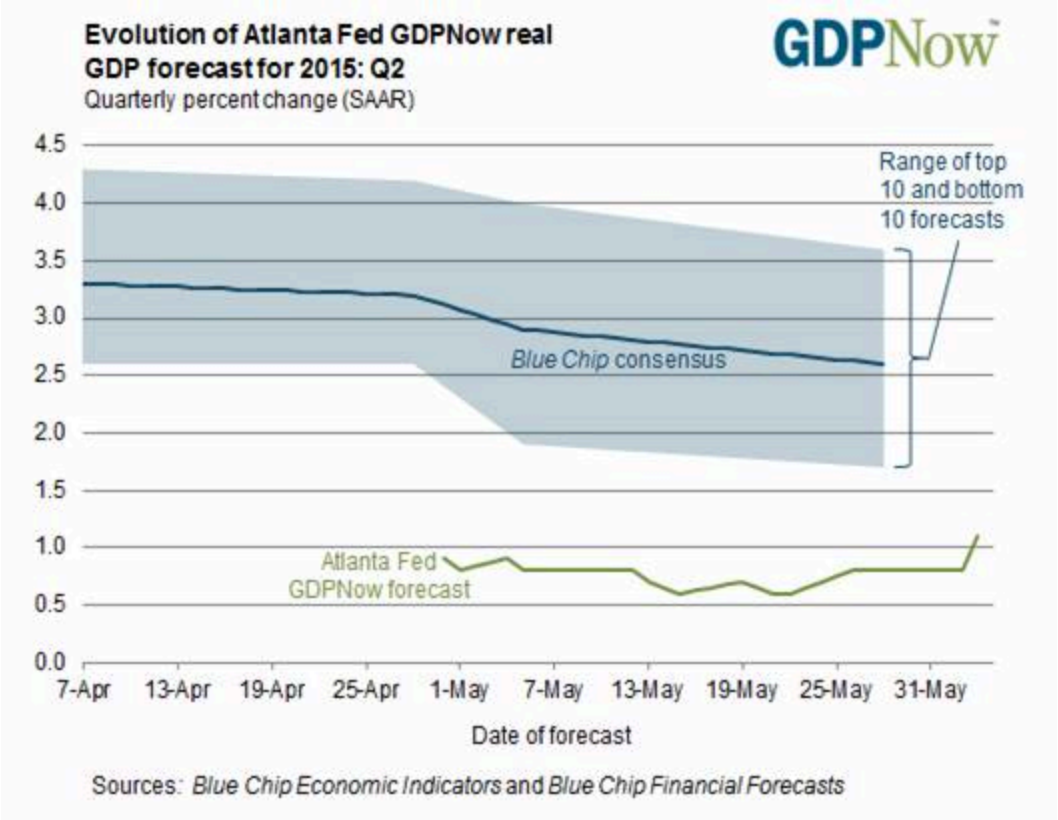
- Data: Claims 276k (vs. 278k exp). The lowest in fifteen years. Productivity slipped a bit however.

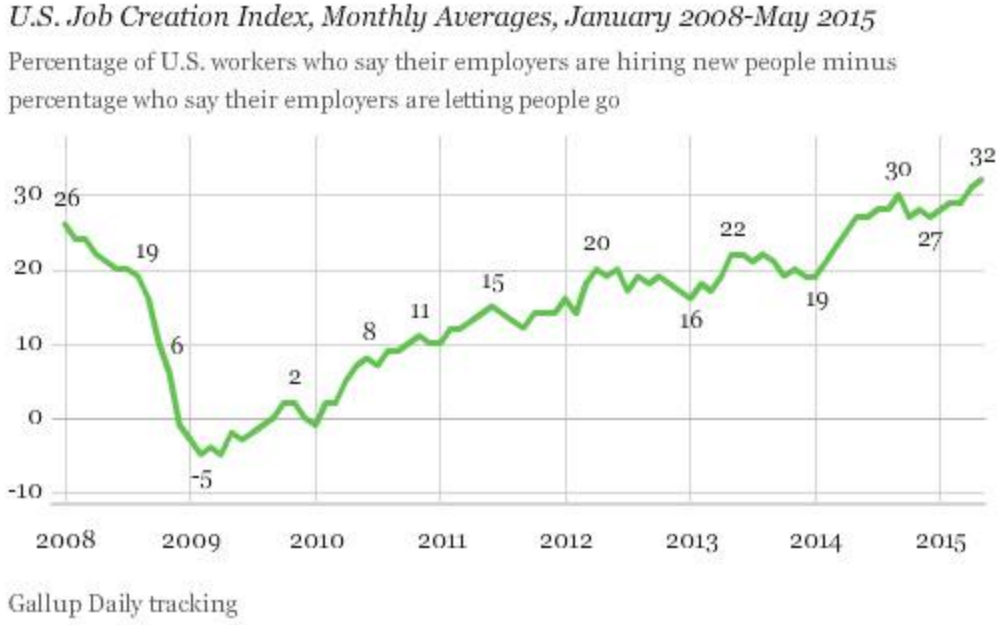
- Credit: Loans and Bonds were weaker again yesterday. Higher duration and higher quality so the most impact. Loans are down 37bps since the end of April (JPMLLI). There is a $360mm ish BWIC in the market (and an OWIC). Also, the CLO market seems to be stirring again with five deals have priced in the past two weeks and seven deals are currently in market. Good for technicals. Worries over liquidity in the markets continue too.



- Charts of the day:

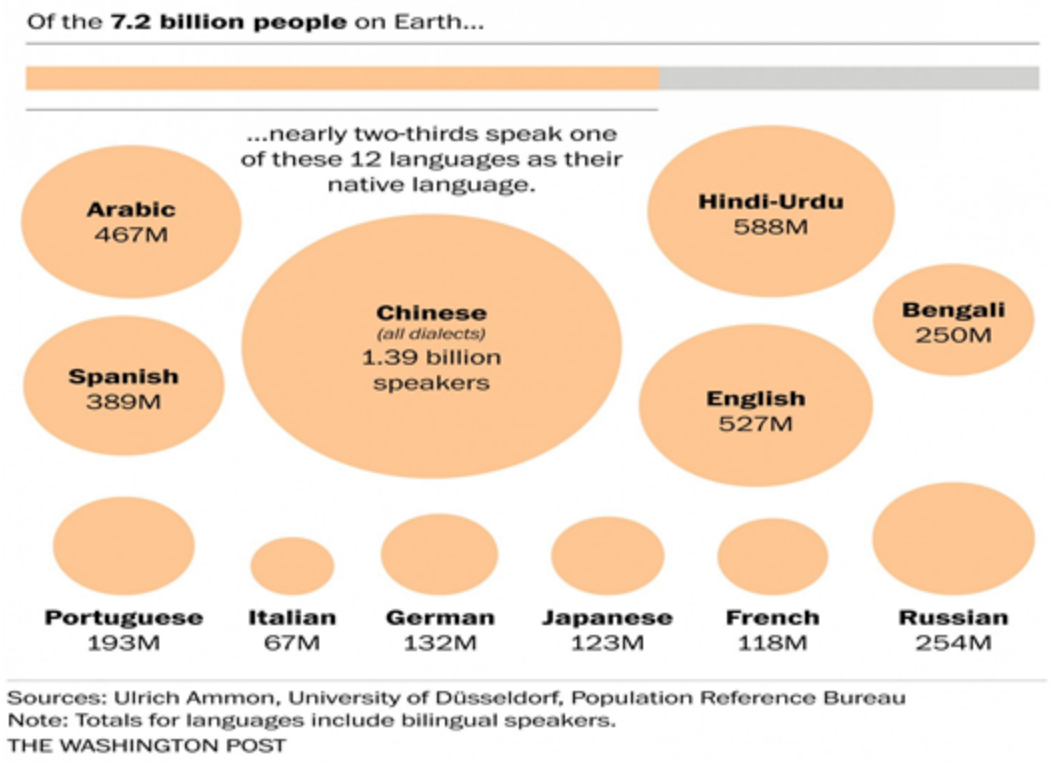
Better projection from Atlanta
(ignore consensus they have been wrong, over, and over and over…)


Evolution of Atlanta Fed GDPNow real GDP forecast for 2015: Q2
Quarterly percent change (SAAR)
GDPNow
4.5
4.0
3.5
3.0
2.5
2.0
1.5
1.0
0.5
0.0
Range of top 10 and bottom 10 forecasts
Blue Chip consensus
Atlanta Fed GDPNow forecast
7-Apr
13-Apr
19-Apr
25-Apr
1-May
7-May
13-May
19-May
25-May
31-May
Date of forecast
Sources: Blue Chip Economic Indicators and Blue Chip Financial Forecasts


U.S. Job Creation Index, Monthly Averages, January 2008-May 2015
Percentage of U.S. workers who say their employers are hiring new people minus percentage who say their employers are letting people go
30
20
10
0
-10
26
19
6
-5
2
8
11
15
20
16
22
19
30
27
32
2008
2009
2010
2011
2012
2013
2014
2015
Gallup Daily tracking
GALLUP

- Other:

- Markets are always leading indicators… http://www.mirror.co.uk/news/world-news/panicked-super-rich-buying-boltholes-5044084
- I hope that MBA didn't cost you too much… http://www.wsj.com/articles/do-buyout-kings-need-m-b-a-s-1433349048?mod=rss_markets_main
- Update from Tuesday's language chart



- HY: 106 ¾ (+1/16)
- IG: 65 5/8 (+5/8)
- CSLLI: -0.6% mtd / 3.23% ytd

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